B 8130-1-U

Route:

_____

_____

_____

The KSA PERSPECTIVE

Published by Kurt Salmon Associates June, 1987

Textile Profile For 1986

Stronger market helps 35 public companies achieve sharp recovery; restructuring begins to be felt

Following a severe skid in 1985, the public sector of the textile industry executed a smart U-turn last year to register record-high sales and earnings.

Aggregate fiscal 1986 performance for the 35 public textile corporations in this year's Profile featured a 15.6% increase in total sales volume, to $14.9 billion, while profits jumped from $204.7 million to $410.6 million –1.6% of sales to 2.7%. (These ratios of after-tax income to sales are before extraordinary items, which had a distorting $29 million swing last year.) This year's improvement, sharp as it was, served only to bring profit and return on equity ratios back to their unimpressive levels of 1982-84. (See Highlights box.)

Compared with so bad a year as 1985, it didn't take much for fiscal '86 to look good. Textiles helped itself further by importing some sales and profits from apparel; *Cluett Peabody* accounted for $548 million in sales during the 8.5 months it was part of *WestPoint-Pepperell's* fiscal year. That was 30% of WPP's volume, and 27% of the advance made by the entire public textile industry over 1985.

Nevertheless, most of the gains were due to a host of favorable market and economic developments, many of which have continued through the first half of 1987 and will result in further gains:

- Inventory pipelines finally cleared out and replenishment business started to flow again;
- Demand for cotton fabrics strengthened, and the prices of raw cotton were allowed to reach world market levels;
- The popularity of fleece activewear dramatically tightened up the sales yarn and knit goods sectors, although

Profile Highlights

	1986	1985	1984	1983	1982
Sales ($mm)	14,926	12,893	13,070	11,614	10,837
Net A.T. Inc. ($mm) (After Extraordinary Items)	390	213	354	331	344
Net A.T. Inc. (% of Sales)	2.62	1.65	2.71	2.85	3.18
(%) Return on Equity	8.24	5.04	8.62	8.41	9.64
Cash Flow ($mm)*	863	635	743	690	691
Capital Expend. ($mm)	611	551	713	531	563
Capital Expend./ Cash Flow (%)	70.8	86.8	96.0	77.0	81.5

* Cash flow is defined as Net Income plus Depreciation.

Copyright June, 1987 by Kurt Salmon Associates, Inc.

SALES AND EARNINGS*

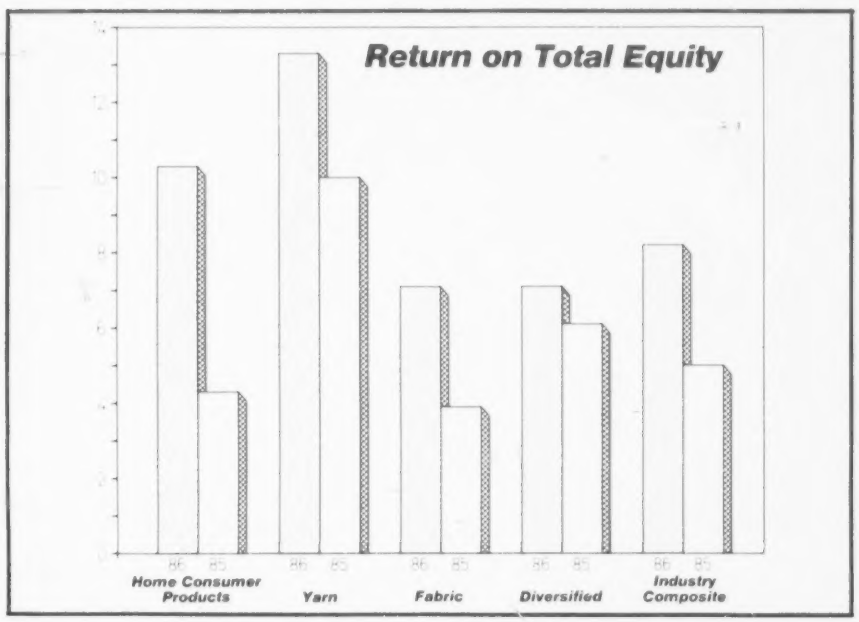
SALES RANK 1986	1985	Company	Sales ($000)	Net Income ($000)
1	1	Burlington Industries 09/86-F	2,778,132	56,531
		03/87	2,911,239	57,542
2	3	WestPoint-Pepperell 09/86-D	1,813,354	54,465
		03/87	1,974,053	65,131
3	2	JP Stevens 10/86-H	1,671,871	53,687
		01/87	1,656,388	55,504
4	5	Springs Industries 12/86-D	1,504,984	32,575
5	4	Collins & Aikman 02/86-D	1,100,699	66,372
		11/86	1,154,675	67,065
6	7	Fieldcrest Cannon 12/86-H	1,083,236	17,389
		03/87	1,178,500	25,900
7	6	Un. Merch. & Mfrs. 06/86-D	802,105	−35,340
		12/86	755,115	−31,929
8	8	Shaw Industries 06/86-H	550,024	24,095
9	9	Guilford Mills 06/86-F	416,265	19,026
		03/87	502,355	21,946
10	11	Salem Carpet Mills 12/86-H	325,396	7,468
11	12	Dixie Yarns 12/86-Y	300,770	13,378
12	13	Mohasco 12/86-M	297,182[1]	4,110§
13	+	D.W.G.Corp. (Graniteville) 04/86-M	294,738	−2,850§
14	15	Unifi 06/86-Y	248,873	10,407
		09/86	264,550	8,184
15	18	Horizon Industries 09/86-H	210,218	1,688
		12/86	223,698	2,677
16	17	Galaxy Mills 09/86-H	204,007	1,200
		12/86	215,664	1,744
17	19	Carolina Mills 09/86-Y	187,884	7,773
18	+	Culp 04/86-F	150,747	4,339
		10/86	166,533	4,755
19	21	Thomaston Mills 06/86-D	139,063	−1,047
		12/86	150,926	1,747
19	22	Interface Flooring 12/86-H	137,410	8,576
20	23	Chatham Mfg. 12/86-F	124,399	5,189
21	24	Belding Heminway 12/86-D	121,004	3,737
22	27	Fab Industries 11/86-F	119,056	10,726
		02/87	120,573	10,779
23	28	Vertipile 02/86-F	118,299	916
		11/86	104,826	958
24	+	Johnston Industries 06/86-F	115,078	9,648
25	25	Concord Fabrics 08/86-F	112,629	463
26	29	Ruddick 09/86-M	108,300[2]	11,100§
27	33	CrownAmerica 08/86-Y	87,144	1,626
		02/87	86,045	1,254
28	26	Texfi Industries 10/86-F	85,046	142
		01/87	97,622	2,107
29	30	Carriage Industries 06/86-H	75,324	3,801
		12/86	74,427	2,961
30	32	Guilford Industries 03/86-F	74,784	6,986
		06/86	72,916	6,888
31	31	Louisville Bedding 09/86-H	65,095	712
32	+	Coated Sales 02/86-F	53,556	3,510
33	35	Wm. E. Wright 06/86-F	48,240	−806
		12/86	44,184	527
34	37	Crown Crafts 03/86-H	41,753	641
		09/86	48,330	1,968
35	38	Decorator Industries 12/86-H	23,074	126
36	40	Burke Mills 12/86-Y	19,063	1,109
37	39	Dash Industries 11/86-H	16,960	−793
		02/87	17,182	−778
		Sales Total:	**$14,925,542**	

* Where available, quarterly data have been added to show latest 12 months' performance.

Where previous years' figures have been restated by a company, they are not reflected in the Profile.

§ Operating earnings. [1] Carpet sales only.

\+ Unavailable. [2] American & Efird sales.



much of its growth was reflected in apparel results;

- Industry capacity reductions in 1985 led to a sharply higher utilization rate when demand increased last year. It was accompanied by gains in textile employment and weekly hours worked;
- The new MFA appears to be working more effectively against import abuses. Quota availability is shrinking, and apparel and retail companies are re-examining the domestic sourcing option;
- The dollar's decline helped the U.S. textile industry's world-wide competitiveness;
- With business good and fewer domestic mills operating, prices remained firm for most textile products.

Restructuring Benefits

While market-related conditions helped the textile industry at large during 1986, individual firms benefitted further

from their various restructuring moves. Four of the five largest sales increases in this year's Profile were recorded by companies that had absorbed others (see table, page 5).

Adding profits is a bit harder, of course, but firms like *Coated Sales* and *Springs* managed some truly impressive gains with the help of their acquisitions. *J.P. Stevens* engineered a $69 million turnaround by shedding some volume and shifting its focus to home consumer products. (Because it had a negative income in 1985, the company cannot be included in the list of big-percentage gainers.)

Another aspect of corporate restructuring can be seen in the reclassification of *Burlington* in this year's Profile from Diversified to Fabrics, while *Thomaston* reversed the switch. *UM&M*, heir to the fabled *Cohn-Hall-Marx* name, technically no longer meets our criteria as a textile company; 37% of its 1986 sales came from apparel and accessories. The trend towards vertical restructuring, while probably good for those firms doing it, can only cause headaches for the compilers of industry profiles.

Sector Results

With so many dollars switched among the four sector classifications, 1986 results make comparisons tricky. For example, composite return on equity for the Home Consumer Products companies more than doubled, rising from 4.3% in 1985 to 10.3% in 1986. The impact of *J.P. Stevens'* turnaround upon this sales-weighted ratio was considerable. The median return for the 12 firms in the sector was 6.7% ....In a group dominated by carpet specialists, *Shaw Industries* was again the stand-out performer, even though its ratios were slightly lower than last year's.

Over-all, yarn spinners and texturizers performed well ahead of the rest of the industry, with a composite 13.3% ROE. The five companies in this group were again led by *Dixie Yarns*, which strengthened itself by acquiring *China Grove*, consolidating its facilities, and focusing on specialized marketing niches. Although Dixie's assets and equity both increased substantially, its 89% jump in profit dollars provided healthy return ratios in those two measures.

The Diversified sector is no longer the robust giant it once was. This year, reclassification took away $4.3 billion net from Diversified's sales, and next year another billion dollars or so will disappear along with *Collins & Aikman*. *C&A's* typically strong performances will be missed, but the remaining Diversified firms, led by *Springs* and *WestPoint-Pepperell*, may well change the look of this sector.

The 12 companies in the Fabric group are truly diverse in market end-uses, products, company size, and financial performance. This year's four top profit performers in the entire Profile –*Guilford Industries, Fab, Johnston Industries*, and *Coated Sales* – are all specialists in their chosen fields. *Coated Sales* also logged an

COMPANY	NET A.T. INCOME ON SALES %	86	85	RETURN ON TOTAL EQUITY %	86	85
BELDING HEMINWAY 12/86-D	3.09	15	8	8.17	20	12
BURKE MILLS INC 12/86-Y	3.60	+	+	13.95	+	+
BURLINGTON INDUSTRIES 09/86-F	2.03	20	24	4.96	26	24
CAROLINA MILLS 09/86-Y	4.14	13	13	14.38	9	14
CARRIAGE INDUSTRIES INC 06/86-H	5.05	7	6	13.75	10	5
CHATHAM MFG CO 12/86-F	4.17	12	14	9.10	17	20
COATED SALES, INC. 02/86-F	6.55	4	15	39.05	1	8
COLLINS & AIKMAN CORP 02/86-D	6.03	5	3	19.34	3	2
CONCORD FABRICS 08/86-F	1.67	++	25	1.92	++	25
CROWN CRAFTS INC 03/86-H	1.75	23	28	8.24	19	28
CROWNAMERICA 08/86-Y	1.87	22	23	10.65	16	23
CULP, INC. 04/86-F	2.88	17	12	11.59	13	11
DASH INDUSTRIES INC 11/86-H	-2.84	++	19	-17.42	++	16
DECORATOR INDUSTRIES, INC. 12/86-H	0.55	27	32	2.98	27	29
DIXIE YARNS INC 12/86-Y	4.45	9	11	14.49	8	6
FAB INDUSTRIES 11/86-F	9.01	2	2	13.51	11	9
FIELDCREST CANNON INC 12/86-H	2.00	21	17	6.45	24	17
GALAXY CARPET MILLS 09/86-H	0.59	26	20	2.18	28	18
GUILFORD INDUSTRIES INC 03/86-F	9.34	1	1	18.99	4	4
GUILFORD MILLS 06/86-F	4.57	8	5	11.39	14	10
HORIZON IND INC 09/86-H	0.80	25	29	5.30	25	27
INTERFACE FLOORING SYSTEMS INC 12/86-H	5.28	6	+	16.58	6	+
JOHNSTON INDUSTRIES 06/86-F	8.96	3	7	28.64	2	1
LOUISVILLE BEDDING CO 09/86-H	1.09	24	22	6.69	23	15
SALEM CARPET MILLS 12/86-H	2.30	18	18	15.77	7	7
SHAW INDUSTRIES 06/86-H	4.38	10	4	17.06	5	3
SPRINGS INDUSTRIES 12/86-D	2.16	19	21	7.01	22	22
JP STEVENS 10/86-H	3.21	14	+	10.68	15	+
TEXFI INDUSTRIES 10/86-F	-0.39	29	+	1.23	29	+
THOMASTON MILLS 06/86-D	-0.75	30	30	-2.25	30	26
UNIFI INC 06/86-Y	4.18	11	9	11.72	12	13
UNITED MERCHANTS & MFRS 06/86-D	-2.78	++	++	-30.65	++	++
VERTIPILE INC 02/86-F	-0.20	28	31	9.10	17	30
WEST POINT-PEPPERELL (08/85)09/86-D***	3.00	16	16	8.07	21	19
WM E WRIGHT CO 06/86-F	6.33	++	10	-2.97	++	21

\+ Extraordinary gains exceed 1% of net sales
++ Extraordinary losses exceed 1% of net sales

Net after-tax income percentages in first column are before extraordinary items; all other ratios are based on net after-tax income after extraordinary items.

ormance Profile — Fiscal 1986

TOTAL DEBT TO ASSETS			RETURN ON TOTAL ASSETS			SALES TO TOTAL ASSETS			GROSS PROFIT			OPERATING EARNINGS			INVENTORY TURNS			RETURN ON INVESTED CAPITAL		
%	86	85	%	86	85	%	86	85	%	86	85	%	86	85	%	86	85	%	86	85
0.48	21	26	4.21	18	13	1.36	29	27	32.25	4	4	5.31	20	25	2.51	33	32	5.66	18	12
0.26	33	33	10.36	+	+	1.78	14	19	13.40	28	28	7.31	13	19	10.04	3	4	12.18	+	+
0.48	21	21	2.59	22	24	1.27	32	31	12.05	29	32	4.25	27	33	7.03	6	8	3.69	22	24
0.38	27	25	8.87	7	14	2.14	6	12	9.02	34	35	9.02	9	22	9.91	4	6	11.37	9	14
0.40	25	9	8.21	9	5	1.63	19	16	27.61	6	6	10.84	6	3	4.16	26	24	10.62	11	10
0.21	35	34	7.23	12	15	1.73	17	17	18.99	20	19	8.09	11	11	3.86	29	27	8.43	14	15
0.74	4	15	10.16	4	10	1.55	22	5	26.04	7	15	16.96	2	4	3.95	27	33	16.51	2	5
0.45	24	22	10.71	3	1	1.78	14	10	22.93	10	9	11.36	5	2	5.01	16	13	14.87	4	1
0.51	19	28	0.93	++	25	2.27	5	3	20.71	15	22	4.64	24	32	5.10	15	12	1.75	++	25
0.61	10	6	3.23	20	30	2.10	7	20	18.09	23	21	4.87	22	28	3.90	28	31	4.62	20	28
0.55	14	11	4.78	16	23	2.56	3	11	9.95	33	33	3.42	30	31	19.51	1	2	7.76	15	22
0.55	14	20	5.21	15	11	1.81	13	9	20.61	16	10	5.98	18	12	4.75	22	24	7.20	16	11
0.62	9	11	-6.68	++	19	1.43	25	26	41.52	1	1	-1.03	35	17	1.38	35	35	-8.57	++	20
0.56	13	8	1.31	27	32	2.40	4	14	17.59	24	25	2.60	33	37	4.97	18	28	1.80	27	30
0.37	29	22	9.17	6	4	2.06	9	2	10.93	32	30	5.65	19	18	9.61	5	3	12.74	6	7
0.29	32	31	9.56	5	6	1.06	34	34	21.42	13	20	12.33	3	9	4.92	19	17	13.35	5	4
0.67	7	18	2.12	24	18	1.32	30	23	21.79	12	12	6.86	14	20	5.00	17	11	2.90	25	18
0.59	11	13	0.90	28	20	1.53	23	20	21.87	11	8	3.16	31	14	3.58	30	30	1.38	28	21
0.36	30	24	12.18	1	2	1.30	31	32	30.45	5	5	19.41	1	1	4.75	22	15	15.61	3	3
0.35	31	31	7.45	11	7	1.63	19	22	19.75	18	17	9.10	8	8	5.29	13	16	10.73	10	9
0.70	6	4	1.57	26	29	1.95	11	14	21.25	14	16	4.34	26	29	4.91	20	21	2.90	25	27
0.74	4	16	4.35	17	+	0.70	35	30	36.12	3	3	9.78	7	7	3.39	31	23	5.79	17	+
0.59	11	5	11.61	2	8	1.38	27	25	18.11	22	23	11.65	4	6	4.53	24	26	17.00	1	8
0.66	8	7	2.26	23	21	2.07	8	6	19.10	19	14	4.02	28	23	4.35	25	21	3.53	23	19
0.52	18	16	7.53	10	9	3.28	1	1	18.77	21	11	6.16	17	13	5.94	8	9	11.47	8	6
0.49	20	19	8.64	8	3	1.97	10	8	20.06	17	13	8.70	10	5	5.18	14	10	11.76	7	2
0.54	16	13	3.22	21	22	1.49	24	35	16.46	25	27	5.25	21	27	5.56	11	19	4.43	21	23
0.48	21	10	5.59	14	+	1.74	16	27	16.46	25	26	6.47	15	16	5.57	10	18	8.70	13	+
0.78	2	1	0.27	29	+	1.62	21	4	11.31	30	31	4.81	23	26	5.89	9	5	0.40	29	+
0.38	27	29	-1.40	30	28	1.86	12	18	6.93	35	34	0.34	34	36	6.59	7	14	-1.64	30	26
0.39	26	29	7.11	13	12	1.70	18	13	11.00	31	29	6.39	16	15	17.98	2	1	8.80	12	13
0.80	1	2	-6.14	++	++	1.39	26	33	22.96	9	7	3.58	29	10	2.97	32	29	-8.01	++	++
0.77	3	2	2.10	25	31	2.71	2	7	16.41	27	24	2.80	32	30	5.47	12	7	2.98	24	29
0.53	17	26	3.78	19	17	1.26	33	24	23.33	8	18	7.70	12	21	4.81	21	20	5.52	19	16
0.23	34	34	-2.29	++	16	1.37	28	29	37.70	2	2	4.60	25	24	2.02	34	34	-2.95	++	17

+++ Unranked
*** Fiscal year change; (previous) and current year end dates shown

ROE that is outstanding: 39%. A converter of specialty fabrics, the company recently acquired *Kenyon Piece Dye Works* . . . . Although the total apparel fabric market had a strong resurgence in 1986, only a fraction of that improvement was reflected in the results of the Profile's Fabric sector. Most of today's fabric suppliers are larger and stronger than their forebears, but many of them are also privately owned (for the time being, at least), and their results are unavailable to this report.

As textile companies continue to shift their marketing orientations and change their ownerships and structures, a new industry begins to emerge. Nevertheless, the ultimate key to good financial performance remains the same: a balance of effective marketing, responsive service, closer linkages with customers, competitive products, and well managed inventories.

Noteworthy Performances

Top Performers

Net After-Tax Income on Sales

		1986 %	1982-85 %	1982-85 Rank
1	Guilford Industries	9.34	–	–
2	Fab Industries	9.01	8.32	1
3	Johnston Industries	8.96	–	–
4	Coated Sales	6.55	–	–
5	Collins & Aikman	6.03	4.95	5
6	Interface Flooring	5.28	6.37	3
7	Carriage Industries	5.05	–	–
8	Guilford Mills	4.57	5.56	4
9	Dixie Yarns	4.45	2.29	15
10	Shaw Industries	4.38	4.09	6

Return on Total Equity

		1986 %	1982-85 %	1982-85 Rank
1	Coated Sales	39.05	–	–
2	Johnston Industries	28.64	–	–
3	Collins & Aikman	19.34	17.33	3
4	Guilford Industries	18.99	–	–
5	Shaw Industries	17.06	17.31	4
6	Interface Flooring	16.58	18.44	1
7	Salem	15.77	13.10	7
8	Dixie Yarns	14.49	10.82	10
9	Carolina Mills	14.38	11.50	9
10	Carriage Industries	13.75	–	–

Biggest Gainers – 1985/86

Sales

		$ Changes
1	Coated Sales	+95%
2	Fieldcrest Cannon	+85%
3	WestPoint-Pepperell	+51%
4	Springs Industries	+48%
5	CrownAmerica	+43%

After-Tax Income

		$ Changes
1	Concord Fabrics	+509%
2	Coated Sales	+418%
3	CrownAmerica	+408%
4	Burlington Industries	+349%
5	Springs Industries	+145%

Classifications

Companies have been classified in the Yarn (Y), Fabrics (F), or Home Consumer Products (H) segments if textiles account for at least two-thirds of their sales volume, their primary product/market classification represents half of their textile volume, and it significantly exceeds any other single textile activity.

Corporations with no single classification predominant in their product/market mix have been placed in the Diversified (D) category.

Mohasco and *Ruddick* have been classified as Multi-industry/Conglomerates (M) because less than half of their sales comes from textiles, and that portion of their financial data could not be isolated for analysis.

Industry Sector Results and Top Performers

Industry Sectors and Top Performers*	No. of Firms Reported	Sales ($000)	Net Income ($000)	Net After-Tax Income on Sales %	Return on Total Equity %	Total Debt to Assets	Return on Total Assets %	Sales to Total Assets	Gross Profit %	Oper. Earn. %	Inv. Turns	Return on Invested Capital %
Home Consumer Products (H)												
Shaw Industries		550,024	24,095	4.38	17.06	.49	8.64	1.97	20.06	8.70	5.18	11.76
1986	12	4,404,368	118,590	2.69	10.28	.58	4.37	1.62	19.83	6.64	5.06	6.36
1985 *(FY '85 Profile: 14)*	12	3,791,766	43,599	1.15	4.29	.56	1.88	1.63	18.70	6.12	5.02	2.92
Fabrics (F)												
Coated Sales		53,556	3,510	6.55	39.05	.74	10.16	1.55	26.04	16.96	3.95	16.51
1986	12	4,196,231	116,670	2.78	7.14	.47	3.81	1.37	14.90	5.76	6.09	5.41
1985 *(FY '85 Profile: 10)*	12	4,097,879	62,721	1.53	3.95	.45	2.16	1.41	12.18	3.00	5.89	3.01
Spun/Textured Yarn (Y)												
Dixie Yarns		300,770	13,378	4.45	14.49	.37	9.17	2.06	10.93	5.65	9.61	12.74
1986	5	843,734	34,293	4.06	13.27	.39	8.08	1.99	10.48	6.42	11.97	10.66
1985 *(FY '85 Profile: 6)*	5	703,993	18,785	2.67	10.03	.42	5.83	2.18	8.89	5.05	11.40	7.92
Diversified (D)												
Collins & Aikman		1,100,699	66,372	6.03	19.34	.45	10.71	1.78	22.93	11.36	5.01	14.87
1986	6	5,481,209	120,762	2.20	7.14	.56	3.17	1.44	21.09	6.92	4.58	4.41
1985 *(FY '85 Profile: 8)*	6	4,299,080	88,107	2.05	6.13	.55	2.74	1.34	19.25	6.26	4.61	3.81
Industry Totals												
1986	35	14,925,542	390,315	2.62	8.24	.53	3.90	1.49	18.41	6.48	5.31	5.51
1985	35	12,892,718	213,212	1.65	5.04	.52	2.43	1.47	16.28	5.12	5.31	3.48

** Top performers had best return on total equity ranking in each sector.*

Composite Profit and Loss Data — Textile Industry
(35 Companies)

FISCAL PERIOD ENDING	1986		1985		1984		1983		1982	
	$	PCT	$	PCT	$	PCT	$	PCT	$	PCT
Net Sales	14925542	100.00	12892718	100.00	13070130	100.00	11613841	100.00	1083.338	100.00
-Cost of Goods Sold	12182609	81.62	10794331	83.72	11026034	84.36	9752395	83.97	9200769	84.90
Gross Profit	2742933	18.38	2098387	16.28	2044096	15.64	1861446	16.03	1636569	15.10
-Sell. Gen. & Admin	1775244	11.89	1438706	11.16	1295532	9.91	1182810	10.18	1141463	10.53
Operating Earnings	967689	6.48	659681	5.12	748564	5.73	678636	5.84	495106	4.57
-Interest Expense	272396	1.83	214929	1.67	193473	1.48	152996	1.32	174278	1.61
Misc. Inc. or Exp.	65096	0.44	-89963	-0.70	36990	0.28	27627	0.24	9833	0.09
Income Before Tax	760389	5.09	354789	2.75	592081	4.53	553267	4.76	330661	3.05
- Income Tax	349778	2.34	150106	1.16	239525	1.83	223183	1.92	126112	1.16
Income After Tax	410611	2.75	204683	1.59	352556	2.70	330084	2.84	204549	1.89
Extraordinary Item	-20296	-0.14	8529	0.07	1906	0.01	755	0.01	139868	1.29
Net Income	390315	2.62	213212	1.65	354462	2.71	330839	2.85	344417	3.18

FLOW OF FUNDS ANALYSIS

Working Cap at Start	3097739	2828075	2798575	2478501	2586898
Net Income	390315	213212	354462	330839	344417
Depreciation	472273	422232	388963	359570	346399
Change in L-T Debt	446813	358237	26251	79280	-214571
Change in Deferred	123166	166362	87875	53923	46701
Change in Pref Stk	-7	-33	-42	-29	-68
Change in Common	386361	38595	-26972	223400	-21616
Dividends Paid	-156958	-142614	-140792	-127588	-109740
Capital Expend	-610883	-551358	-713353	-530723	-562820
Misc Assets Change	-387638	-170635	14740	-49461	10721
Misc Transactions	-219600	-64334	38368	-19137	52180
Working Cap at End	3541581	3097739	2828075	2798575	2478501

Disclaimer

The information presented in this Performance Profile was obtained from available annual reports made by public companies to their stockholders and to the Securities and Exchange Commission. While we believe the information furnished to be reliable, no representations are made as to the accuracy thereof. Kurt Salmon Associates assumes no responsibility for any errors in the Performance Profile, whether of omission or commission. Information presented herein is based solely on publicly-available data; the confidentiality of KSA's client relationships has been maintained throughout. KSA's Financial Performance Profile is intended solely for the statistical information of the purchaser. It is not a representation, prospectus, or circular in respect of any stock or security of any corporation. The data and comments contained herein do not constitute investment advice in any form.

The Complete Profile

A full print-out covering fiscal years ending 1982 through 1986 is available for in-depth comparisons and study.

For each of the companies, as well as the industry segment composites and the total industry aggregate, the report contains a full financial statement, a balance sheet, and a comprehensive list of ratios.

It is available from KSA in print or diskette (dBaseIII — Lotus) at a cost of $300.

KSA

Kurt Salmon Associates

management consultants

400 Colony Square, Atlanta, Georgia 30361 • 404/892-0321

350 Fifth Avenue, New York, New York 10118 • 212/564-3690

Los Angeles • Greensboro • Nashville • Princeton

Montreal • United Kingdom • West Germany • Spain • Switzerland • Hong Kong

Printed in USA/6-87/3.5M